Dillard Store Services, Inc.

pp 600 Cantrell * P.O. Box 486 * Little Rock, Arkansas 72201 00-00971

November 11, 2000

Joe Werner Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243-0505

RECEIVED

1.39 13 2000

TN REGULATORY AUTHORITY TELECOMMUNICATIONS DIVISION

Dear Mr. Werner;

I understand AT&T has filed a complaint against BellSouth asking for your help in getting our name and number to show up on our customers' Caller IDs. Supposedly we are in a new era of competition, but I have my doubts. I would like for you to see this situation through the customer's eyes.

We agreed to switch local service from BellSouth to AT&T local service in Tennessee and Florida. We did this mainly to reduce expenses. It never occurred to me to ask if Caller ID would work because supposedly I was getting the same service at a reduced rate. We started this process in July and since we cut the first store we have had problems with the number that shows up on our customers' Caller IDs. One of the services we provide our customers is to keep them informed of new products and promotions. This issue has severely impacted our business. Many people will not answer their phone if they see "out of area" or "unknown". Our cosmetic associates in these stores are justifiably upset. They are told to make twenty calls a day and their success rate has dropped considerably. Not only has it affected sales, but also when management needs an associate to cover for an absent associate they are having a hard time getting them to answer their phone.

My management thinks you "just call the phone company" and everything happens. This is just one example of the complications we have had to deal with. I have cut over 25 locations. I have had to reschedule with our vendors at the last minute because the bell company said they would be ready to port the numbers and they were not ready. I have had to reschedule because AT&T was not ready with their equipment. I have had my stores down because neither one could determine the problem. In my opinion they do not want to cooperate with each other because when it comes down to it they are competitors.

I know AT&T has worked with BellSouth to identify and fix the problem with the stores we have converted because I call them almost daily. I have told AT&T I will not convert any more stores until they make BellSouth permanently fix this problem. We are rapidly approaching our Christmas season. I can not afford to wait for some drawn out legal battle before I have assurance BellSouth will make the necessary changes so we can conduct business as usual. If I do not get those assurances soon I will be forced to convert the stores back to BellSouth local service. I hope you see the irony in the fact if they do not fix the problem they get more business.

We want competitive alternatives for local services but we expect to keep the same level of service we were getting from BellSouth. I would appreciate your attention to this matter as soon as possible to help me in making my business decision on local service.

Sincerely

Telecommunications Manager